PROVINCIAL AUDITOR
of Saskatchewan

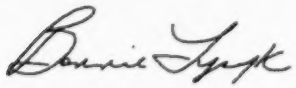
June 14, 2012

The Honourable Dan D'Autremont
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour to submit my *Report to the Legislative Assembly of Saskatchewan on the 2011 Financial Statements of CIC Crown Corporations and Related Entities* for the year ending December 31, 2011 in accordance with the provisions of Section 14 of *The Provincial Auditor Act*.

Respectfully submitted,



Bonnie Lysyk, MBA, CA
Provincial Auditor

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TABLE OF CONTENTS

Purpose 1

Background 1

Results 1

Report on the 2011 Financial Statements of CIC Crown Corporations and Related Entities

1.0 Purpose

The purpose of this Report is to inform the Legislative Assembly of our Office's views on the financial statements of Crown Investments Corporation of Saskatchewan (CIC), its subsidiaries, and other related entities. Our views on the financial statements of other Crown agencies are presented in a separate report.

2.0 Background

The Assembly allows the Government to appoint auditors to examine and report on Crown agencies. The Provincial Auditor, however, retains overall responsibility for the audits of all Crown corporations.

In June 1994, the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*[1] recommended how the audit system for CIC and its subsidiary Crown corporations could function more efficiently and effectively. Our Office, CIC, CIC Crown corporations, and appointed auditors are using those recommendations to better serve the Assembly's needs. The Task Force recommended that we give the Assembly a report listing the CIC Crown corporations in whose audits we participated.

The objectives of each audit are to form the following opinions and to report the results to the Assembly.

- An opinion on the rules and procedures used by the agency to safeguard public resources.
- An opinion on the agency's compliance with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.
- An opinion on the reliability of the agency's financial statements.

In our 2012 Report – Volume 1, we will report the results of these audits as required by *The Provincial Auditor Act*. The appointed auditors' reports on the reliability of each CIC Crown corporation's and related entity's financial statements accompany their respective financial statements.

3.0 Results

The following table includes all CIC Crown corporations and related entities. It lists the appointed auditor's name, whether we participated in the audit, and whether the

[1] For a copy of this report, see our website at www.auditor.sk.ca/rrd.html.

financial statements are reliable. In our opinion, for the audits we participated in, the financial statements are reliable.

CIC Crown Corporations and Related Entities	Appointed Auditor	Participated in Audit	Financial Statements are Reliable
Crown Investments Corporation of Saskatchewan	KPMG LLP	Yes	Yes
CIC Apex Equity Holdco Ltd.	*		
CIC Economic Holdco Ltd.	*		
First Nations and Métis Fund Inc.	KPMG LLP	Yes	Yes
Gradworks Inc.	Dudley & Company LLP	Yes	Yes
Saskatchewan Immigrant Investor Fund Inc.	Dudley & Company LLP	Yes	Yes
CIC Asset Management Inc.	KPMG LLP	Yes	Yes
101039181 Saskatchewan Ltd.	*		
101069101 Saskatchewan Ltd.	*		
CIC Foods Inc.	*		
CIC FTLP Holdings Inc.	*		
CIC FTMI Holdings Inc.	*		
CIC OSB Products Inc.	*		
CIC Pulp Ltd.	*		
CIC PVF Holdings Inc.	*		
CIC WLSVF Holdings Inc.	*		
HARO Financial Corporation	*		
Investment Saskatchewan Swine Inc.	*		
Investment Saskatchewan Holdings Inc.	*		
Saskatchewan Valley Potato Corporation	*		
Capital Pension Plan	KPMG LLP	Yes	Yes
Information Services Corporation of Saskatchewan	MNP LLP	Yes	Yes
Saskatchewan Development Fund Corporation	Dudley & Company LLP	Yes	Yes
SaskEnergy Incorporated	Deloitte & Touche LLP	Yes	Yes
TransGas Limited	Deloitte & Touche LLP	Yes	Yes
Many Islands Pipe Lines (Canada) Limited	Deloitte & Touche LLP	Yes	Yes
Bayhurst Gas Limited	Deloitte & Touche LLP	Yes	Yes
Bayhurst Energy Services Corporation	*		
BG Storage Inc.	*		
Swan Valley Gas Corporation	*		
Saskatchewan First Call Corporation	*		
SaskEnergy International Incorporated	Deloitte & Touche LLP	Yes	Yes
SaskEnergy Mexican Holdings Ltd.	*		
SaskEnergy Chilean Holdings I Ltd.	*		
SaskEnergy Chilean Holdings II Ltd.	*		
SaskEnergy Chilean Holdings Limitada	*		

CIC Crown Corporations and Related Entities	Appointed Auditor	Participated in Audit	Financial Statements are Reliable
Saskatchewan Gaming Corporation	KPMG LLP	Yes	Yes
SGC Holdings Inc.	KPMG LLP	Yes	Yes
Saskatchewan Government Growth Fund III Ltd.	Deloitte & Touche LLP	Yes	Yes
Saskatchewan Government Insurance	KPMG LLP	Yes	Yes
SGI Canada Insurance Services Ltd.	KPMG LLP	Yes	Yes
The Insurance Company of Prince Edward Island	KPMG LLP	Yes	Yes
Coachman Insurance Company	KPMG LLP	Yes	Yes
Saskatchewan Government Insurance Superannuation Plan	KPMG LLP	Yes	Yes
Saskatchewan Auto Fund	KPMG LLP	Yes	Yes
Saskatchewan Opportunities Corporation	Deloitte & Touche LLP	Yes	Yes
Saskatchewan Power Corporation	Deloitte & Touche LLP	Yes	Yes
SaskPower International Inc.	*		
Power Greenhouses Inc.	MNP LLP	Yes	Yes
Northpoint Energy Solutions Inc.	Deloitte & Touche LLP	Yes	Yes
Power Corporation Superannuation Plan	Deloitte & Touche LLP	Yes	Yes
Saskatchewan Telecommunications Holding Corporation	KPMG LLP	Yes	Yes
Saskatchewan Telecommunications	KPMG LLP	Yes	Yes
Saskatchewan Telecommunications International, Inc.	KPMG LLP	Yes	Yes
SaskTel International Consulting, Inc.	*		
Saskatchewan Telecommunications International (Tanzania) Ltd.	*		
Battleford International, Inc.	*		
Avonlea Holding, Inc.	*		
Manalta Investment Company Ltd.	*		
Qu'Appelle Holding Inc	*		
Nokomis Holding, Inc.	*		
SecurTek Monitoring Solutions Inc.	KPMG LLP	Yes	Yes
Shellbrook Holding, Inc.	*		
SaskTel Investments Inc.	*		
DirectWest Corporation	KPMG LLP	Yes	Yes
Qu'Appelle Holding, Inc.	*		
DirectWest Canada, Inc.	*		
Hollywood At Home Inc.	*		
Dafoc Enterprises, Inc. (formerly Hospitality Network Canada, Inc.)	*		
Saskatchewan Telecommunications Pension Plan	KPMG LLP	Yes	Yes

CIC Crown Corporations and Related Entities	Appointed Auditor	Participated in Audit	Financial Statements are Reliable
Saskatchewan Transportation Company	MNP LLP	Yes	Yes
Saskatchewan Water Corporation	Deloitte & Touche LLP	Yes	Yes

* Financial statements are not prepared for audit.